

ORIGINAL



EX PARTE OR LATE FILED

Pamela J. Riley
Vice President
Federal Regulatory
AirTouch Communications
1818 N Street, N.W., Suite 800
Washington D.C. 20036

Telephone: 202 293-4960

RECEIVED
MAY 5 1999

May 5, 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: WTB Docket No. 97-207

Dear Ms. Salas:

Pursuant to Section 1.1206 of the Commission's Rules, I hereby notify the Commission that I met with Jim Schlichting, Jeanine Poltronieri, David Siehl, Joseph Levin, Elizabeth Lyle, and Nancy Boocker of the Wireless Telecommunications Bureau on March 4, 1999 to discuss Calling Party Pays. A summary of the points discussed is provided in the attached material which was distributed during the meeting.

Please direct any inquiries concerning this matter to me (202) 293-4960.

Sincerely,

A handwritten signature in black ink that reads "Pamela J. Riley".

Pamela J. Riley

cc: Jim Schlichting
Jeanine Poltronieri
David Siehl
Joseph Levin
Elizabeth Lyle
Nancy Boocker

No. of Copies rec'd 043
List A B C D E

Calling Party Pays

Ex Parte Presentation
AirTouch Communications
May 4, 1999

Summary

FCC should articulate a federal policy supporting CPP option.

CPP will promote wireless growth and position wireless as a closer substitute to wireline telephony. CPP attracts new users and CPP customers generate more minutes of use.

Minimal rules are needed to facilitate CPP.

Industry is addressing key issues such as leakage through solutions such as intelligent network platforms and clearinghouses for billing administration.

Competition ensures that consumers will be protected from unreasonable and unforeseen charges.

As long as wireline customers are informed about charges, they can decide the value of reaching someone through their mobile phone. AirTouch supports the use of preambles or other forms of notice to ensure calling parties are informed about rates.

CPP requires ILEC billing and collection, available through tariffed or negotiated rates.

AirTouch cannot offer CPP today in California, our largest market, due to position of SBC. Lack of national availability hampers consumer acceptance.

CPP is a CMRS service, establishing a relationship between the CMRS carrier and calling party on a per call basis. CPP is not a modification of wireline rates.

ILEC Billing and Collection is a Necessary Element of CPP

ILEC billing and collection is necessary for the commercial viability of CPP.

ILEC market power in the provision of local service means that only ILECs have the ubiquity needed to make CPP extensively available. ILECs will be the access provider for the vast majority of all originating calls for the foreseeable future.

Other sources of billing are not economically viable substitutes.

Self-provisioning using BNA (either by CMRS operator or a clearinghouse) is not economic because amounts of any single bill will generally be small, such as a single call. Billing and collection has strong economies of scale and scope. Low payment rates also are likely because calling party would not have a pre-established relationship with CMRS operator.

Credit card billing is not ubiquitously available, and significantly inconveniences callers who must enter credit card numbers and await approval, discouraging use. High barriers in place for refunds of disputed charges.

Other utilities such as electric utilities or cable companies do not have billing systems designed to handle individual transactions such as a single phone call, nor are they capable of calculating the local taxes applicable to CPP calls.

Legal Issues

FCC has authority to require LEC billing and collection for CPP pursuant to Sections 201(b) and 4(i) of Act.

FCC has held LEC billing and collection to be a communications service, subject to ancillary jurisdiction under Title I.

Congress has given FCC broad authority to act with respect to CMRS services. CPP further promotes goals of local competition and widespread availability of communications services.

Earlier FCC decisions re: ILEC billing and collection services are distinguishable.

CMRS is a potential competitor for local landline service, creating anti-competitive incentives to thwart the success of CPP by refusing to make billing and collection available.

SBC letter refusing to deal with AirTouch on CPP billing states "our ability to market additional products and services [of our own] would be negatively impacted if we were to bill CPP on Pacific Bell's telephone bill."

IXCs have established relationships with their customers, who generate substantial monthly revenues, providing a stronger economic case for self-provisioning.

Third party billing not a barrier to entry for many ISP or OSP services.

State jurisdiction over "other terms and conditions" not in conflict with federal policy over ILEC billing for CPP.